

CANIBBLE FOODTECH LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
AS OF MARCH 31, 2024

UNAUDITED

CANIBBLE FOODTECH LTD.

TABLE OF CONTENTS

Notice to Shareholders	3
Unaudited Condensed Interim Consolidated Statements of Financial Position	4
Unaudited Condensed Interim Consolidated Statements of Comprehensive Income	5
Unaudited Condensed Interim Consolidated Statements of Changes in shareholders' equity	6-7
Unaudited Condensed Interim Consolidated Statements of Cash Flows	8
Notes to Unaudited Condensed Interim Consolidated Financial Statements	9

NOTICE TO SHAREHOLDERS

The accompanying unaudited condensed consolidated interim financial statements of Canibble Foodtech Ltd. (the “**Company**”) for the three months ended March 31, 2024, have been prepared by management in accordance with International Financial Reporting Standards applicable to consolidated interim financial statements (Note 2). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed consolidated interim financial statements, management is satisfied that these unaudited condensed consolidated interim financial statements have been fairly presented.

Under National Instrument 51-102, part 4, sub-section 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

CANIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF FINANCIAL POSITION
(In thousands of US Dollars)

	<u>Note</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		33	52
Net Trade accounts receivable		3	5
Prepays and other receivables		11	16
Restricted cash		20	20
Total current assets		<u>67</u>	<u>93</u>
NON- CURRENT ASSETS:			
Investment		239	242
Equipment		14	15
Total non- current assets		<u>253</u>	<u>257</u>
TOTAL ASSETS		<u>320</u>	<u>350</u>
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
CURRENT LIABILITIES:			
Trade accounts payable		84	88
Other accounts payable		150	146
Warrants	4	14	14
Total current liabilities		<u>248</u>	<u>248</u>
NON- CURRENT LIABILITIES:			
Deferred compensation to related parties	5	2,469	2,469
Total non- current liabilities		<u>2,469</u>	<u>2,469</u>
Total liabilities		<u>2,717</u>	<u>2,717</u>
SHAREHOLDERS' DEFICIENCY:			
Share capital		63	63
Additional paid in capital		3,981	3,981
Reserve from share-based payment transactions		172	172
Accumulated deficit		(6,613)	(6,583)
Total shareholders' deficiency		<u>(2,397)</u>	<u>(2,367)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		<u>320</u>	<u>350</u>
May 27, 2024	/s/ Yoav Bar Yosef	/s/ Elad Barkan	/s/ Uri Ben-Or
Date of approval of the financial statements	Yoav Bar Yosef Chief Executive officer And chief of directors	Elad Barkan director	Uri Ben-Or Chief Financial officer

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CANIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF COMPREHENSIVE LOSS
(In thousands of US Dollars)

	Three months ended March 31, 2024	Three months ended March 31, 2023
	<u> </u>	<u> </u>
Revenues:		
Consulting services	-	30
Sale of goods	8	11
Total revenues	<u>8</u>	<u>41</u>
Cost of revenues:		
Consulting services	-	9
Sale of goods	8	60
Total cost of revenues	<u>8</u>	<u>69</u>
Gross profit (loss)	<u>-</u>	<u>(28)</u>
Operating expenses:		
Selling and marketing expenses	1	172
Research and development expenses	-	125
General and administrative expenses	23	214
Total operating expenses	<u>24</u>	<u>511</u>
Operating loss	(24)	(539)
Financial expenses	6	2
Financial income	<u>-</u>	<u>(1)</u>
Net loss and comprehensive loss for the period	<u>(30)</u>	<u>(540)</u>
Basic and diluted loss per share	<u>(0.001)</u>	<u>(0.023)</u>
Weighted average number of shares outstanding used to compute basic and diluted loss per share	<u>26,023,896</u>	<u>23,719,596</u>

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CANIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(In thousands of US Dollars)

	<u>Number of Shares</u>	<u>Ordinary share capital amount</u>	<u>Additional paid in capital</u>	<u>Reserve from share-based payment transactions</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balance at January 1, 2024	<u>26,023,896</u>	<u>63</u>	<u>3,981</u>	<u>172</u>	<u>(6,583)</u>	<u>(2,367)</u>
Changes during 1-3.2024:						
Total comprehensive (loss) gain for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30)</u>	<u>(30)</u>
Balance at March 31, 2024	<u>26,023,896</u>	<u>63</u>	<u>3,981</u>	<u>172</u>	<u>(6,613)</u>	<u>(2,397)</u>

* Represent amount lower than 1 US Dollar.

	<u>Number of Shares</u>	<u>Ordinary share capital amount</u>	<u>Additional paid in capital</u>	<u>Reserve from share-based payment transactions</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balance at January 1, 2023	<u>23,519,596</u>	<u>63</u>	<u>3,642</u>	<u>79</u>	<u>(5,498)</u>	<u>(1,714)</u>
Changes during 1-3.2023:						
Payment upon shares	-	-	-	44	-	44
Issuance of shares	200,000	*	53	-	-	53
Issuance of warrants	-	-	-	-	-	-
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(540)</u>	<u>(540)</u>
Balance at March 31, 2023	<u>23,791,596</u>	<u>63</u>	<u>3,695</u>	<u>123</u>	<u>(6,038)</u>	<u>(2,157)</u>

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CANIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(In thousands of US Dollars)

	<u>Number of Shares</u>	<u>Ordinary share capital amount</u>	<u>Additional paid in capital</u>	<u>Reserve from share-based payment transactions</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balance at January 1, 2023	<u>23,519,596</u>	<u>63</u>	<u>3,642</u>	<u>79</u>	<u>(5,498)</u>	<u>(1,714)</u>
Changes during 2023:						
Shares based payments	-	-	-	93	-	93
Issuance of shares	2,504,300	*	339	-	-	339
Issuance of warrants	-	-	-	-	-	-
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,085)</u>	<u>(1,085)</u>
Balance at December 31, 2023	<u>26,023,896</u>	<u>63</u>	<u>3,981</u>	<u>172</u>	<u>(6,583)</u>	<u>(2,367)</u>

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CANIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF CASH FLOWS
(In thousands of US Dollars)

	Three months ended March 31, 2024	Three months ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	(30)	(540)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	1	2
Financial expenses	3	(1)
Decrease (increase) in trade and other accounts receivable, net.	7	20
Decrease (increase) in inventory	-	55
Increase (decrease) in trade accounts payable	(4)	8
Increase (decrease) in other accounts payable	4	204
Net cash used in operating activities	(19)	(252)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Withdraw to restricted cash	-	2
Net cash used in investing activities	-	2
CASH FLOWS FROM FINANCING ACTIVITIES:		
payments upon Shares (note 3)	-	97
Net cash provided by financing activities	-	97
Net increase (decrease) in cash and cash equivalents	(19)	(153)
Cash and cash equivalents at beginning of the period	52	267
Cash and cash equivalents at the end of the period	33	114

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
(In thousands of US Dollars)

NOTE 1: NATURE OF BUSINESS, AND GOING CONCERN

a. Nature of business

Cannibble Food-Tech Ltd. (the "Company") was incorporated as a private limited liability company under the Israeli Companies Law, 5759-1999 on August 14, 2018. On March 3, 2022 the ordinary shares of the Company were listed for trading on the Canadian Securities Exchange (the "CSE") under the symbol 'PLCN'. As of the date of this report, the Company has 26,023,896 ordinary shares issued and outstanding.

Cannibble is an innovative Israeli food tech company that develops food and beverage products variously enhanced with alternative proteins. Cannibble has developed proprietary powder-based formulas for food and beverage products targeted for the "Better-for-You" segment of the market. Better-for-you (BFY) products are products that are low in fats and/or carbs and/or salt, and/or reduced sugar and/ or high in fibre or vitamins. The products are sugar free, dairy free, plant based, non-GMO, keto friendly, low carbs and marketed under Cannibble's brand name "The Pelicann". The Company's portfolio also includes the marketing of gluten-free products and other unique food products. Cannibble has a distribution agreement with Eshbal functional foods for North America.

As part of the Company's attempt to generate additional income streams, the Company decided to provide consulting services to other food companies in its areas of specialization which is product development and business development.

Cannibble's corporate headquarters and registered address are located at P.O. Box 4250 Rosh Haayin Israel.

The Company has one wholly-owned subsidiary, EAZY Tech Inc., a limited liability company organized under the laws of the state of Delaware.

The financial statements were approved by the Board of Directors on May 27, 2024.

War in Israel:

In the Company's product portfolio, there are products made in Israel. The war in Israel may impact the production of the products which will affect the ability of the suppliers to supply products on time according to the Company's demand for the export of products to North America.

b. Going concern

During the three-month ended March 31, 2024, the Company incurred a loss of \$30 thousand and negative cash flows from operating activities of \$19 thousand and as of March 31, 2024 has an accumulated deficit of \$6,613 thousand.

The Company's ability to consummate its plans in connection with increasing the volume of current activity and to continue the development of its products, is dependent upon its ability to continue to finance its activities by raising additional funds. As a result, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
(In thousands of US Dollars)

NOTE 1: NATURE OF BUSINESS, AND GOING CONCERN (CONT)

These consolidated financial statements were prepared on a going concern basis, which assumes that the Company will be able to obtain the necessary financing as needed to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities.

c. listing in the Canadian Securities Exchange (the "CSE").

On February 10th, 2022 the Corporation announced that it received the conditional approval from the Canadian Securities Exchange (the "Exchange") for the listing of its ordinary shares (the "Listing"). The Listing was subject to the Corporation fulfilling all the listing requirements of the Exchange.

On March 3rd, 2022 the corporation announced that the Corporation 's ordinary shares (the "Shares") have received final approval for listing from the Canadian Securities Exchange (the "CSE"). The ordinary shares of started trading on March 3rd on the Canadian Securities Exchange under the symbol PLCN.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's audited annual consolidated financial statements as at and for the year ended December 31, 2023 and the accompanying notes thereto. Certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards have been omitted or condensed.

Significant accounting policies

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its annual financial statements for the year ended .December 31, 2023

New and amended standards and Interpretations issued by the IASB that apply for the first this period is not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

Share based payments

The areas requiring the use of estimates and critical judgments that may potentially have a significant impact on the Company's earnings and financial position is Warrants valuation and share based payments valuation.

New standards, interpretations and amendments not yet effective

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. There are a number of standards, amendments to standards, and

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
(In thousands of US Dollars)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for periods beginning January 1, 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Noncurrent);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements);
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures). The following amendments are effective for the period beginning January 1, 2025; and
- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

NOTE 3 –SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On January 31, 2024 the company sign a distribution agreement with Sako import & export Ltd (“Haile tahini”).

According to the agreement, the company will be appointed as the exclusive distributor of Haile tahini in north America. The company will sell, market and distribute Haile tahini’s products in north America. The company’s compensation for its service will be the profit that will be created by the margin between the purchase price as mention in the agreement and the selling price to customers.

The agreement shall be affective for five years from signing subject to several conditions related to accumulated sales.

NOTE 4- WARRANTS:

The fair value of share warrants and performance shares was estimated by using a Black and Scholes model. The fair valuation of the warrants was last conducted on December 2023.

According to the management assessment, there was no material change in the fair value for March, 31 2024.

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
(In thousands of US Dollars)

NOTE 5- DEFERRED COMPENSATION TO RELATED PARTIES

- a. Parties are related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party or if they are key management personals. The Company has transactions with key management personnel. Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and approved by the related parties.
- b. Payable related parties:

Related Party	Nature	At March 31,2024	For the year ended December 31, 2023
		US\$ in thousand	
Elad Barkan – CTO, Director & shareholder & founder	Salary fees (1)	823	823
Ziv Turner- VP BUSNIESS, Director & shareholder & founder	Salary fees (1)	823	823
JOAV BAR JOSEPH – CEO, Director & shareholder & founder	Salary fees (1)	823	823
Total		2,469	2,469

(1) The three management employees shall receive a salary of 24 \$ thousand a month from June 2020. As for Marc 31, 2024, this amount is a part of accrued expenses. The Company and the management employees reached an agreement that the Company has the option to convert the debt into shares at a value on the day of the conversion, in case there is not enough money to repay the debt.

Effective December 1st, 2023, the company announced a change in employee compensation. Previous employment agreements were terminated, and all employees, including senior management, would now be paid an hourly wage. This wage would be capped at the minimum wage.

Management determined that senior staff wouldn't receive any salary or back pay for the work performed during the first quarter of 2024.

- c. The following transactions arose with related parties:
Transactions- expenses

	For the three months ended March 31,	For the year ended December 31,
	2024	2023
	(US\$ in thousands)	
Fees to CEO, CTO & VP BUSINESS	-	835
Fees to CFO	6	63

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
(In thousands of US Dollars)

NOTE 5- DEFERRED COMPENSATION TO RELATED PARTIES (CONT)

- d. On December 29, 2021, in connection with the Company's efforts to become a reporting issuer and seek a listing on the CSE, the Company effected the Debt Conversion, pursuant to which it issued shares to Messrs. Yoav Bar-Joseph, Elad Barkan and Ziv Turner in consideration for the cancellation of part of the debt owed to them on account of accrued salary.